

Bird & Bird & BMM Autumn Meeting 2020

International jurisdiction in online trademark infringements in Europe

Online infringements: where to fight them?

The systems in play

- Highly relevant. Increasing online commerce – especially in current times
- Protecting trademarks and enforcing go hand in hand
- Answer to the question where to sue is not always simple. Jurisdiction is a tricky business

Various systems that interact:

- EUTM system
- European single market- aim of market integration and making consumer sales across jurisdictions easier
- National trademark laws and more general rules of jurisdiction such as Brussels I (recast)
- Internet and e-commerce- EUTM and internet have grown up together

Choose with precision

- Due to complexity, determining the jurisdiction is an important decision
- Always complicated, online even more so
- A case can stand or fall on choice of jurisdiction
- Wrong choice can lead to no jurisdiction
- Often forum shopping possible – attempting to have the dispute in a court that is thought to have the most favourable outcome

Background principles- Legal jurisdiction regime of EU

Brussels I (recast) Regulation

- Relevant for all claims of infringement of national marks
- Autonomous interpretation CJEU
- Parties based in Europe
- General rule: home court of the defendant
- Special jurisdiction in matters of tort (including IP infringement) – *place where the harmful event occurred or may occur*
- Should be understood as "*where the damage occurs and the place where the event that caused the damage occurred*".

Background principles- EUTM – lex specialis

Article 125 EUTMR

- EUTM courts – exclusive jurisdiction
- Which EU court has jurisdiction for an EUTM claim?
 - Member State where Defendant domiciled or established, failing which
 - MS where Plaintiff domiciled or established, failing which
 - Spain, BUT ALSO (and in any event)
 - MS where infringing act is committed or threatened (can only get relief in that MS)
- Where did the infringer perform the active conduct?
- How does that work with websites offering and selling goods?

Reasons to go to an alternative forum

- Quality and predictability of litigation (available case law, experienced judges)
- Avoid defendant-friendly home Court
- Available tools & remedies and their requirements (e.g. urgency)
- Speed and costs of litigation
- Speed and type of appeals
- Risk of counterclaims
- Reimbursement of legal fees
- Evidence requirements (e.g experts, witness cross-examination, translation of written documents)
- Calculation of damages
- Differences in substantive law (Court inclined to apply its home approach)

Homecourt of defendant

Homecourt of defendant – meaning of establishment

- First option is to go to the MS where the defendant is domiciled or if not domiciled in a MS, where it has an establishment
- 125 (1) EUTMR
- CJEU C-617/ Hummel / Nike Inc and Nike Retail - What is an establishment ?
- Nike – US no domicile in EU, Hummel – Danish
- Sued in Düsseldorf

Homecourt of defendant – meaning of establishment

- CJEU in Hummel
- Enough to show that undertaking : *(a) acts as a “centre of operation” in the EU of the parent company – with a certain real and stable presence from which commercial activity is pursued; and (b) has the “appearance of permanency to the outside world, such as an extension of the parent body”.*
- System of local subsidiaries- opens way to forum shopping

Door open for Forumshopping

- Where most likely to succeed/ quick/ cheap?
- Different courts have different procedural advantages and disadvantages
- Risk for parent company – pan EU injunction
- Enforcement Directive – Consultation in 2016 – many differences
- Design Regulation: Recital 30: *the litigation system should avoid as far as possible forum shopping. It is therefore necessary to establish clear rules of international jurisdiction.*

Location of infringing act

Location of Infringing act - Alternative forum

Article 7(2) Brussels I (recast)

"a person domiciled in a MS may be sued in another MSin matters relating to tort, delict, or quasi- delict, in the courts for the place where the harmful event occurred"

- Place where the damage occurred
- Place of the event giving rise to it

CJEU in **Wintersteiger** (C523/10) - online infringement on Austrian TM (adword on google.de)

- Place of event giving rise to damage is place of establishment of infringer as this is where activation of display process is decided
- Court of members states of registration of TM

Cf. Benelux Convention- 4.6 – registration does not create jurisdiction

Act of infringement committed

Coty (CJEU C-360/12)

- Infringement of EUTM – offline
- AG: article 95(5) EUTMR narrower than 7(2) Brussels I: doesn't include the place where damage occurred - Case law on 7(2) not applicable to EUTMs
- CJEU: concept of *"MS in which the act of infringement has been committed.... refers to the MS where the act giving rise to the alleged infringement occurred or may occur, not the MS where that infringement produces its effect"*.
- Excludes the possibility to file for EUTM infringement in a MS where the damage occurs

Location of Infringing act - Alternative forum - RCD

Nintendo / BigBen- C-24/16 and C-25/16



- Design rights – online infringement RCDs
- Again action started in Germany, Big Ben -FR produced and delivered to German group company
- Both sold products to customers in other EU countries
- CJEU ruled not to make an assessment of each alleged act of infringement, but to make an overall assessment of the defendant's conduct “in order to determine the place where the initial act of infringement at the origin of that conduct was committed”.
- Place where process of putting the offer for sale online by that operator on its website was activated
- In context of Rome II Regulation (applicable law) to accessory claims

Location of Infringing act - Alternative forum – EUTMs?

- Parfummarken (BGH I ZR 164/16) of 9 November 2017
- Nintendo applied to EUTMs by BGH
- German TM owner sued Italian defendant
- German language internet site (.it), supplied product catalogues and price lists to Germany
- No online sales – order per email and shipped to Germany
- act of infringement committed in Germany ?
- No jurisdiction based on Nintendo – findings
- UK case AMS Neve / Heritage Audio – UK company sued Spanish company in UK. English language website with list of UK dealers. IPEC denied jurisdiction

Location of Infringing act - Alternative forum – EUTMs

- Both national courts held that the language of a website, targeting of customers in a particular MS, availability of delivery to a MS and similar evidence is irrelevant for establishing jurisdiction!
- Also: Court of The Hague – Novomatic / Betasoft (2017)
- For EUTM- Handlungsort – place where the defendant committed the infringement
- not the place where the server is based but place where the activation of the process for the technical display of infringing content is taken
- Likely the same place as where the defendant is domiciled
- reduced choices for plaintiff
- EUTM – less attractive ? National filings ?
- Criticism – no alternative forum?
- Questions to CJEU in AMS Neve

Location of Infringing act - Alternative forum - EUTMS

AMS Neve / Heritage Audio – CJEU C-172/18

- First judgment regarding international jurisdiction and **online EUTM infringement**
- 125 (5) EUTM Regulation
- Where is the place of infringement located?
- CJEU: MS within which the consumers or traders to whom the advertising and offers for sale are directed are located
- Not contravening Nintendo since legislative instrument at issue in that case (Rome II Reg) is fundamentally different
- Nintendo is about applicable law – not jurisdiction to ensure there is only one applicable law even if there are infringements committed in multiple MS

Location of Infringing act - Alternative forum - EUTMS

AMS Neve / Heritage Audio – CJEU C-172/18

- Thus the UK courts had jurisdiction
- Very welcome for EUTM owners!!
- Very broad interpretation
- Targeting may serve to establish jurisdiction

Targeting of online infringement

- Targeting / directed ?
- CJEU Cases C-585/08 and C-144/09 (Pammer and Hotel Alpenhof)
- Overall assessment of traders activity inter alia:
 - the international nature of the activity
 - use of different languages
 - use of different currencies
 - the possibility of making and confirming a purchase (or reservation) in alternative languages or currencies
 - spending money on links (e.g. directories) likely to direct trade from another Member State
 - use of a different top-level domain (e.g. .nl; .be; .de, .fr) to that of the trader's domicile.

Parallel Jurisdiction

Merck – C- 231/16

- Proceedings under UK TM in UK
- Similar EUTM – proceedings in Germany against German defendant
- CJEU: German court must only decline jurisdiction for territory covered by overlap
- Plaintiff can disclaim that territory
- Court has jurisdiction for the remaining EU territory
- The action relate to distinct territories so no risk for contradictory statements

Take aways

- Targeting may serve to establish jurisdiction
- Think broadly when considering where a website is targeted
- You might well have options for selecting a venue/ forum shopping
- Last but not least – in case of online infringement on for example social media – alternative solutions

Thank you & Bird & Bird

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